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HOUSE BILL 637

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO PUBLIC SCHOOL FINANCE; ALLOWING SCHOOL DISTRICTS TO
KEEP ONE HUNDRED PERCENT OF THEIR FEDERAL FOREST RESERVE AND
IMPACT AID REVENUE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:

"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
DEFINITIONS-- DETERMINATION OF AMOUNT. --

A. The state equalization guarantee distribution is
that amount of money distributed to each school district to
ensure that the school district's operating revenue, including
its local [~~and federal revenues~~] revenue as defined in this
section, is at least equal to the school district's program
cost.

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1 B. "Local revenue", as used in this section, means
2 seventy-five percent of receipts to the school district derived
3 from that amount produced by a school district property tax
4 applied at the rate of fifty cents (\$.50) to each one thousand
5 dollars (\$1,000) of net taxable value of property allocated to
6 the school district and to the assessed value of products
7 severed and sold in the school district as determined under the
8 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
9 value of equipment in the school district as determined under
10 the Oil and Gas Production Equipment Ad Valorem Tax Act. The
11 school district shall budget and expend twenty percent of the
12 total revenue receipts for capital outlay.

13 ~~C. "Federal revenue", as used in this section,~~
14 ~~means receipts to the school district, excluding amounts that,~~
15 ~~if taken into account in the computation of the state~~
16 ~~equalization guarantee distribution, result, under federal law~~
17 ~~or regulations, in a reduction in or elimination of federal~~
18 ~~school funding otherwise receivable by the school district,~~
19 ~~derived from the following:~~

20 ~~(1) seventy-five percent of the school~~
21 ~~district's share of forest reserve funds distributed in~~
22 ~~accordance with Section 22-8-33 NMSA 1978. The school district~~
23 ~~shall budget and expend twenty percent of the total forest~~
24 ~~reserve receipts for capital outlay; and~~

25 ~~(2) seventy-five percent of grants from the~~

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1 ~~federal government as assistance to those areas affected by~~
2 ~~federal activity authorized in accordance with Title 20 of the~~
3 ~~United States Code, commonly known as "PL 874 funds" or "impact~~
4 ~~aid". The school district shall budget and expend twenty~~
5 ~~percent of the grant receipts for capital outlay.~~

6 ~~D.]~~ C. To determine the amount of the state
7 equalization guarantee distribution, the state superintendent
8 shall:

9 (1) calculate the number of program units to
10 which each school district is entitled using an average of the
11 MEM on the fortieth, eightieth and one hundred twentieth days
12 of the prior year; or

13 (2) calculate the number of program units to
14 which a school district operating under an approved year-round
15 school calendar is entitled using an average of the MEM on
16 appropriate dates established by the state board; or

17 (3) calculate the number of program units to
18 which a school district with a MEM of two hundred or less is
19 entitled by using an average of the MEM on the fortieth,
20 eightieth and one hundred twentieth days of the prior year or
21 the fortieth day of the current year, whichever is greater; and

22 (4) using the results of the calculations in
23 Paragraph (1), (2) or (3) of this subsection and the
24 instructional staff training and experience index from the
25 October report of the prior school year, establish a total

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1 program cost of the school district;

2 (5) calculate the local [~~and federal revenues~~]
3 revenue as defined in this section;

4 (6) deduct the [~~sum of the calculations made~~
5 ~~in Paragraph (5) of this subsection~~] local revenue from the
6 program cost established in Paragraph (4) of this subsection;
7 and

8 (7) deduct the total amount of guaranteed
9 energy savings contract payments that the state superintendent
10 determines will be made to the school district from the public
11 school utility conservation fund during the fiscal year for
12 which the state equalization guarantee distribution is being
13 computed.

14 [~~E.~~] D. The amount of the state equalization
15 guarantee distribution to which a school district is entitled
16 is the balance remaining after the deductions made in
17 Paragraphs (6) and (7) of Subsection [~~D~~] C of this section.

18 [~~F.~~] E. The state equalization guarantee
19 distribution shall be distributed prior to June 30 of each
20 fiscal year. The calculation shall be based on the local [~~and~~
21 ~~federal revenues~~] revenue specified in this section received
22 from June 1 of the previous fiscal year through May 31 of the
23 fiscal year for which the state equalization guarantee
24 distribution is being computed. In the event that a school
25 district has received more state equalization guarantee funds

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1 than its entitlement, a refund shall be made by the school
2 district to the state general fund."

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